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09/630,557	08/02/2000	Keiichi Nakajima	000790/0008	9517

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NEW YORK, NY 10038

EXAMINER
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KESACK, DANIEL

ART UNIT	PAPER NUMBER
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3691

MAIL DATE	DELIVERY MODE
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01/28/2008

PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

## Office Action Summary

### Application No.

09/630,557

### Applicant(s)

NAKAJIMA, KEIICHI

### Examiner

DANIEL KESACK

### Art Unit

3691

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 31 October 2007.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 2,11-13,54,56-68,70,71,73-81 and 83-87 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 2,11-13,54,56-68,70,71,73-81 and 83-87 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- 1) ☐ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO/SB/08)  
Paper No(s)/Mail Date 10/31/07.

- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_\_
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: \_\_\_\_\_

## **DETAILED ACTION**

### ***Continued Examination Under 37 CFR 1.114***

1. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on October 31, 2007 has been entered.

### ***Status of Claims***

2. Claims 2, 11-13, 54, 56-68, 70, 71, 73-81, 83-87 are currently pending.

### ***Claim Rejections - 35 USC § 112***

3. The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

Art Unit: 3691

4. Claims 54, 71, 84, 86, and 87 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claims contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor, at the time the application was filed, had possession of the claimed invention. Applicant's specification refers to two terminals, one used by a customer or user paying for merchandise, and one used by a clerk or merchant. According to Applicant's specification, the customer terminal, or paying terminal may be one of a cellular phone or a PDA, and is used by the customer. This is in contrast to the current claim language, which recites that the billing terminal, operated by a clerk, is at least one of a cellular phone and a PDA. Examiner is unable to locate support for the clerk using a cellular phone or a PDA. For the purposes of applying prior art, Examiner will interpret the amended claim language according to the specification. However, correction is required.

### ***Claim Rejections - 35 USC § 103***

5. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Art Unit: 3691

6. The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

7. Claims 54, 56, 57, 59, 68, 71, 73, 74, 84, 85, and 87 are rejected under 35 U.S.C. 103(a) as being unpatentable over Franklin et al., U.S. Patent No. 5,883,810, in view of Wallace, U.S. Patent No. 5,988,497.

Claims 54, 71, 84, 86, 87, Franklin discloses an electronic settlement system comprising a first terminal for purchasing an item by a user, which may be a handheld computer (column 3 lines 48-59), the terminal including an input unit for inputting authentication information of the user and connecting to the communication network (figure 1, #28), a second terminal for charging the user of the paying terminal a purchase amount, the billing terminal being connected to the communication network (figure 5, #30), a database for storing authentication information of a user (figure 3, #64), a mediating server which performs the settlement of the transaction by mediating a communication between the first terminal and the second terminal (column 4 lines 24-35) when receiving a [sic] ID information from the second terminal (column 10 lines 39-60), the server setting an authentication method to be processed between the first and second terminal that have been determined to be participating in the same purchase,

Art Unit: 3691

wherein the mediating server authenticates the user by using authentication information stored in the database (column 10 line 48 – column 11 line 31). Franklin teaches the mediating server receives a request signal from the first terminal (column 8 lines 51-60), transmitting the ID information to the first terminal which sent the request signal (column 10 lines 6-13), and when receiving the ID from the second terminal, the server mediates the communication with the second terminal (column 10 lines 39-60). Franklin further teaches the request signal includes a unique ID of the second terminal (column 9 line 63 – column 10 line 5).

Franklin fails to teach the database storing a plurality of authentication methods, and the mediating server selecting at least one authentication method selected by either one of the user of the first terminal and a clerk of the second terminal in accordance with a content of the transaction, and processing the selected authentication method.

Wallace discloses a system and method for authenticating credit transactions wherein multiple authentication methods are stored within a database (column 5 lines 45-56, column 6 lines 34-50), and at least one authentication method is set based on a selection from either the cardholder or the service provider (abstract) and wherein the selection may also be based predefined conditions pertaining to the transaction details (column 4 lines 32-49). It would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to modify the teachings of Franklin to include selecting the authentication method from a plurality of authentication methods based on the details of a transaction because both Franklin and Wallace are concerned with secure transactions, and Wallace discloses that certain levels of security are necessary

for certain transactions, and that it is beneficial that the level of authentication dynamically reflect the security needed, due to the cost of implementing increased security (column 2 lines 4-15).

Claims 56, 57, 73, 85, Franklin teaches a billing terminal database for storing an authentication method demanded by a clerk of the billing terminal (column 10 lines 48-60), wherein the paying terminal database further stores an authentication method demanded by the user in advance (column 6 lines 33-49), and the mediating server sets an agreeable authentication method in accordance with the authentication method stored in the paying terminal database and the authentication method stored in the billing terminal database (column 7 lines 6-38), and wherein the mediating server stores the authentication methods in relation to communicating with both the billing terminal, and the paying terminal, and databases included therein.

Franklin fails to teach the database storing a plurality of authentication methods, and the mediating server selecting at least one authentication method selected by either one of the user of the paying terminal and a clerk of the billing terminal in accordance with a content of the transaction, and processing the selected authentication method.

Wallace discloses a system and method for authenticating credit transactions wherein multiple authentication methods are stored within a database (column 5 lines 45-56, column 6 lines 34-50), and at least one authentication method is set based on a selection from either the cardholder or the service provider (abstract) and wherein the selection may also be based predefined conditions pertaining to the transaction details

Art Unit: 3691

(column 4 lines 32-49). It would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to modify the teachings of Franklin to include selecting the authentication method from a plurality of authentication methods based on the details of a transaction because both Franklin and Wallace are concerned with secure transactions, and Wallace discloses that certain levels of security are necessary for certain transactions, and that it is beneficial that the level of authentication dynamically reflect the security needed, due to the cost of implementing increased security (column 2 lines 4-15).

Claims 59, 74, Franklin teaches the use of a password (column 8 lines 43-56).

Claim 68, Franklin teaches well known encryption and authorization techniques in which keys must match in order properly authorize a transaction. It is inherent that if the authentication fails, the transaction is not carried out and the user is notified of the transaction failure.

Claim 58, Franklin and Wallace fail to teach the consolidation of data. Official Notice is taken that consolidation of functionality, storage in this case, was old and well known at the time of the invention. For example, centralization of database information was commonly performed to avoid duplication of equipment and staff. It would have been obvious to one of ordinary skill in that art at the time of the invention to modify Franklin with such a consolidation of databases for purposes of efficiency and security.



Claims 60, 70, 76, 83, it is obvious that the type of authentication would depend on the payment method chosen. For example, a debit card would require authentication such as a PIN, while a credit card would require authentication such as the card expiration date. Different credit cards such as those of Franklin and Wallace would each require a different expiration date for authentication.

Claim 67, Franklin and Wallace fail to teach selection of more accurate authentication. Official Notice is taken that such a selection is old and well known in transaction security. For example, less accurate authentication would increase risk of loss. It would have been obvious to one of ordinary skill in the art at the time of the invention to modify Franklin and Wallace to select more accurate authentication to reduce risk of loss through fraud.

8. Claim 2 is rejected under 35 U.S.C. 103(a) as being unpatentable over Franklin and Wallace, and further in view of Davis et al., U.S. Patent No. 6,038,549.

Franklin teaches the second terminal connects to said mediating server via a commercial telephone line (column 1 lines 26-37), however fails to teach the first terminal connects to the mediating terminal via radio telephone communication.

Davis discloses a messaging system controller for completing financial transactions using authentication methods between a payer terminal, a billing terminal, and a mediating terminal wherein the paying terminal connects to the mediating server

Art Unit: 3691

via a radio telephone communication (column 1 lines 13-61). It would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to modify the teachings of Franklin and Wallace to include radio telephone communications because storing the user information on a wireless, portable device, and communicating it to the mediating server increases the convenience of such a system.

9. Claims 11-13 are rejected under 35 U.S.C. 103(a) as being unpatentable over Franklin and Wallace, in view of Takayama, U.S. Patent No. 6,332,133.

Claims 11-13, Franklin and Wallace do not specifically disclose a purchase history. Takayama discloses a purchase history (column 71, lines 26-58). It would have been obvious to one of ordinary skill in that art at the time of the invention to modify Franklin and Wallace to include the purchase history of Takayama because this would keep parties to transactions apprised of buyers' purchasing activities.

10. Claims 61-63, 75 and 77-78 are rejected under 35 U.S.C. 103(a) as being unpatentable Franklin and Wallace, and further in view of Electronic Payment systems, hereinafter, O'Mahony.

Claims 61-62, 75, 77, Franklin and Wallace disclose the invention substantially as claimed. See the discussion of Claim 54. Franklin and Wallace do not specifically

Art Unit: 3691

disclose specification of authentication methods based on price. O'Mahony discloses this limitation at page 63, bracketed text. It would have been obvious to one of ordinary skill in that art at the time of the invention to modify Franklin and Wallace to include such stepped authentication to most effectively require authentication for relatively higher value transactions.

Claims 63, 78, it would have been obvious to allow the authentication server/processing unit to act as an arbiter when no other entity specifies authentication, so as to provide at least a minimal level of authentication.

11. Claims 64-66, and 79-81 are rejected under 35 U.S.C. 103(a) as being unpatentable Franklin and Wallace, and further in view of Veil et al., U.S. Patent No. 6,092,202.

Franklin and Wallace fail to teach biometric authentication.

Veil teaches a system and method for secure transactions over a network using biometric authentication stored on the paying device (abstract). It would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to modify the teachings of Franklin and Wallace to include biometric authentication because of the increased security provided by such a method, especially because Franklin and Wallace are concerned with deterring transaction fraud. It is noted that Veil is relied upon for its teaching of using multiple forms of authentication, one of which is biometric authentication. The using combined teaching of Franklin, Wallace, and Veil,

it would be obvious to include biometric authentication as a level of authentication within the system of Wallace, and process the biometrics just as Wallace teaches the processing of other forms of authentication. The fact that Veil teaches the biometrics are never resident in the non-secure computing environment is irrelevant because the reference is only being relied upon for its teaching of biometric authentication.

### ***Response to Arguments***

12. Applicant's arguments filed October 31, 2007 have been fully considered but they are not persuasive.

Applicant's arguments fail to comply with 37 CFR 1.111(b) because they amount to a general allegation that the claims define a patentable invention without specifically pointing out how the language of the claims patentably distinguishes them from the references. On pages 17-20 of the submitted arguments, Applicant describes the independent claims without reference to the prior art, and concludes on page 21 by noting that the prior art fails to teach mediating the communication. Examiner has described how such a mediation is performed according to the prior art, and has repeated such citations in the present Office Action. If Applicant is to maintain this argument in a subsequent response, Examiner respectfully requests Applicant specifically point out how Examiner's mediation steps and components, as cited, do not correlate to the limitations of the claim language.

**Conclusion**

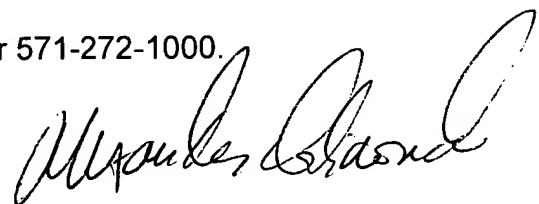
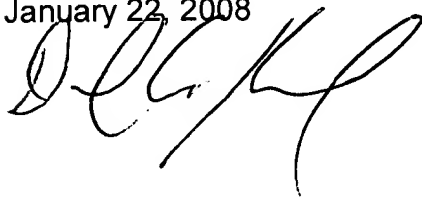
Any inquiry concerning this communication or earlier communications from the examiner should be directed to Daniel Kesack whose telephone number is (571)272-5882. The examiner can normally be reached on M-F, 9:00am-5:00pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Alexander Kalinowski can be reached on 571-272-6771. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

Respectfully Submitted,

Daniel Kesack  
Art Unit 3691  
January 22, 2008



ALEXANDER KALINOWSKI  
SUPERVISORY PATENT EXAMINER